

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4796 (as passed by the House)
Sponsor: Representative Marc Shulman
House Committee: Tax Policy
Senate Committee: Finance

Date Completed: 10-19-99

CONTENT

The bill would amend the Income Tax Act to provide a deduction for certain settlement income from recovered assets received by a Holocaust victim. The bill would apply to tax years beginning on or after January 1, 1994.

The bill would allow a taxpayer to deduct, to the extent included in Federal adjusted gross income, any amount and any interest on that amount received in a tax year by a taxpayer who was a Holocaust victim, as a result of a settlement of claims against any entity or individual for any recovered asset pursuant to the German act regulating unresolved property claims, also known as Gesetz Zur Regelung Offener Vermögensfragen, as a result of the settlement of the Federal court action entitled In Re: Holocaust Victims Assets, or as a result of any similar action.

"Holocaust victim" would mean a person, or the heir or beneficiary of that person, who was persecuted by Nazi Germany or any Axis regime during any period from 1933 to 1945. "Recovered asset" would mean any asset of any type and any interest earned on that asset including, but limited to, bank deposits, insurance proceeds, or artwork owned by a Holocaust victim during the period from 1920 to 1945, withheld from that Holocaust victim from and after 1945, and not recovered, returned, or otherwise compensated to the Holocaust victim until after 1994.

MCL 206.30

Legislative Analyst: G. Towne

FISCAL IMPACT

No actual information is available on the number of people in Michigan who would qualify for this deduction or on the size or components of the settlements (reimbursements for assets and interest); however, based on limited information from the Michigan Jewish Conference, the preliminary estimate is that this bill would reduce income tax revenue by less than \$100,000 a year.

Fiscal Analyst: J. Wortley

S9900\4796sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.